Research Proposal of the Thesis Entitled

The impact of culture, country of origin and sustainability on brand perception and buying behavior of immigrants and Canadians for coffee brands in Canada

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1. Introduction

1.1 Canada- One of the most preferred destinations of immigrants.

For many immigrants recently, Canada has become synonymous for second home or a haven. Recently Canada was ranked the 2nd best country in 2023 overall to live, just behind Switzerland by U.S. News. To note, Canada was ranked highly in critical areas such as being 2nd best country to start a career, 4th best country for education, 7th best country for raising kids, 2nd best country for racial equality, 6th best country for women etc. Naturally these points make Canada one of the most favored destinations for ever flocking immigrants around the world.

Canada saw a population growth 97.6% in 2023 from immigration and around 471,771 people made Canada as their home through permanent residency. In the future, Canada is looking forward to adding 4,85,000 and 5,00,000 permanent citizens in 2024 and 2025 respectively. The top 10 countries from where Canada saw highest immigration were: India- 27% (1,18,095 immigrants), China- 7.2% (31,815 immigrants), Afghanistan- 5.4% (23,735 immigrants), Nigeria- 5.05% (22,085 immigrants), Philippines-5.04% (22,070 immigrants), France- 3.2% (14,145 immigrants), Pakistan- 2.6% (11,585 immigrants), Iran- 2.5% (11,105 immigrants), United States of America- 2.3% (10,400 immigrants) and Syria- 1.9% (8,500 immigrants).

In April 2023, India overtook China to become the most populated country in the world. India today is the world's largest democracy and what makes India interesting is that 40 % of its population is under 25 years as per the Pew research. Not only do we have a young population, but we are educated, are proficient in English language and have a high rate of middle-class population which fuels further the desire to study better, earn better and live better. This in turn leads Indians to seek out other countries such as Canada in the hopes for a better future. (Canadian bureau for international education, 2023) Stated that Canada received a total 1,040,985 international students by 2023 which was 29% more than 2022 and it was 200% growth rate Canada saw in a decade. Out of these students 72.5% look forward to applying for a postgraduate work permit and 60% for permanent residency.

1.2 The paradigm shift in consumption culture of immigrants in Canada.

(Statistics Canada, 2022) Canada amongst the g7 countries had the largest ratio if immigrants contributing to the largest population growth after 1921. It is very natural, for an immigrant to try to fit in by accommodating and adjusting to the host countries culture. (Sanou, et al., 2014) The term *dietary acculturation* is described as the process in which an immigrant adopts the

dietary practices of the host country. Further factors such as economic status, country of origin, living environment, unfamiliar Canadian foods, shifts in cooking techniques, availability of food and lifestyle changes impact the food consumption patterns and choices in immigrants in Canada.

Today's new lifestyles leave us with less time to intensively cook daily and when it comes to choice of cuisine preparation, the lack of traditional ingredients make it more difficult to maintain the cultural practices in host country that were followed in home country. (Balasubramaniyam, 2015) Moreover, the young immigrants show a lot more flexibility in adapting to new food culture as compared to the older immigrants. Since most of the immigrants face financial constraints, certain food availability and choices of home country might be cheaper as compared to the traditional foods. Traditional foods availability and choices also might be limited due to the scattered or few immigrants from a particular country making these foods very expensive to be made available in the market.

1.3 Canadian coffee market

(Kalagate, 2024) In the year 2022, the Canadian coffee market was valued at US $23.56 billion, and it is estimated that will grow by US $32.74 billion by 2030. The main players in coffee market are: The Kraft Heinz Company (USA), Starbucks Coffee Company (USA), McDonald's McCafé (USA), The J. M. Smucker Company (USA), Luigi Lavazza SPA (Italy), Nestle SA (Switzerland), JAB Holding Company (Luxembourg), Tchibo Gmbh (Germany), Tata Global Beverages (India) and Strauss Group Ltd (Israel). Canadian coffee brands also enjoy a good market share. Some of them are: Second Cup, Blenz Coffee, Tim Hortons, Fratello Coffee Roasters Detour Coffee Roasters, Bows x Arrows Coffee Roasters, JJ Bean Coffee Roasters, 49th Parallel Coffee Roasters, Hale Coffee Company, Propeller Coffee Co, Phil & Sebastian Coffee Roasters, Reunion Island Coffee etc.

Canada today in the fastest coffee importing country, importing coffee from 30 developing countries. India exported coffee; coffee husks etc. worth US $2.68 million to Canada. The coffee industry in Canada employs 160,000 + people in caffes and coffee shops. There are 5000 + independent coffee shop owners and 5000 + in manufacturing and roasting coffee. It is estimated that the retail sales of fresh coffee will grow from CAD $1851.3 million in 2023 to CAD $1872 million by 2025, instant coffee CAD $247.9 million in 2023 to CAD $264.3 by 2025. Caffes and bars are expected to grow steadily, coffee and snack shops generated f $4,6

billion (USD) in 2020 and it is expected to grow by 12% in the next five years. (Lacerda, Morais , & Phillipe, 2021)

1.4 Coffee culture in Canada

(Davies, 2024) It is considered that coffee is consumed higher than tap water in Canada. 71% of Canadians drink coffee daily as compared to 63% consumed tap water. Since a decade, the coffee consumption in Canada has significantly increased from 4.25 million 60 kg bags of coffee in 2010/11 to 5 million, with Canadians consuming 5.03 million 60 kg bags during 2021/22. (Harris, 2016) Canada was the third largest coffee drinking nation in 2015 and today ranks 10th in the world for coffee consumption- the only non-euro country in the list. Looking into the factors for coffee being popular in Canada, weather is an important factor. Since Canada has long winters, there is a correlation between cold weather and hot beverages. The penetration of quick service restaurants which mostly are known for coffee and bakery, the availability of coffee is very high in Canada. Tim Horton which is an iconic Canadian cultural brand that sells coffee and has highest penetration in Canada is also a brand that was created by Former Canadian NHL hockey player Tim Horton. Since consuming coffee in the morning is typical Canadian tradition, new immigrants in desire to experience and integrate into Canadian culture, quickly pick up this habit even when they are from a tea consuming nation.

1.5. Coffee consumption and purchase patterns in Canada.

(Grassia, 2020) 72% Canadians between the age of 18-79 seems to consume on an average 2.8 cups of coffee every day. Consumers from provinces like Manitoba and Saskatchewan consume 5 or more cups of coffee every day. With the increase in delivery apps such as Uber Eats and SkipTheDishes and mobile apps of coffee brands, coffee has never been this easy to order in convenient location with 5% ordering from apps and 7% from specialized delivery services. (Davies, 2024) Average Canadians spend CAD $35.21 on coffee per month with millennials showing the maximum interest in consumption of coffee. Consumers from US and Canada between age of between 25 and 39-year-old's consumption of coffee increased from 51% to 60% and consumption of coffee by18 to 24-year-olds in has increased by from 34% to 48%.

With the new coffee machines such as Nespresso and coffee pods being popular trend now, Canadians are now increasing coffee consumption at home. (Stefanac, 2024) Even though traditional coffee is the most preferred type of coffee, there has been an increase in demand for

iced coffee year-round. Personalized coffee with huge options for customization or Gourmet coffee (espresso based) is very appealing to the Gen Z consumers.

1.6. Demand for sustainable fairtrade coffee in Canada.

(Annual report Fairtrade Canada, 2024) Fairtrade certification is a system globally connecting farmers and workers from developing countries that are affected by unfair trading practices, creating ethical standards for treatments of farmers and helping them getting paid as per the industry standards. It is estimated that premium fairtrade products will generate $10 million from Canada by 2025. The global scan research 2023 showed that fairtrade label awareness amongst the consumers increased from 36% to 55% and 80% of consumers have showed that they trusted the fairtrade label. In 2023, Canada sold US $7 million worth of fairtrade premium coffee. 24% Canadian consumers due to their awareness and trust in fairtrade label, demonstrated their willingness to pay more to fairtraded coffee. Today's consumers are increasingly not only aware of their consumption habits' effect on the farmers but are also concerned that products are sustainably sourced. Canadians between the age of 18-34 are mor conscious of that the coffee they are consuming are ethically sources leading to more markets for fairtrade and organic coffee.

1.7. Coffee consumption and country of origin.

(Ridder, 2023) Canada imported 15.6 million kilograms of coffee (not roasted or decaffeinated) in July 2023. The leading importers of coffee were Columbia US $362 million followed by Brazil US $201.35 million, Guatemala US $122.18 million, Peru US $102.45 million, Honduras US $73.19 million, Nicaragua US $40.88 million, Mexico US $37.4 million, Indonesia US $ 31.87 million, Ethiopia US $22.46 million and Vietnam US $14.07 million. (Blucactus, 2022) As per the coffee label requirements in Canada, one of the pieces of information that must be mentioned of coffee packaging is source of coffee i.e. country, region and the farm where the coffee is sourced from.

Starbucks is one the popular coffee chains in Canada. (Statista Research, 2024) Starbucks had 1458 stores in Canada in 2023 out of which 977 stores were corporate stores and 481 stores were licensed. Starbucks discuss the coffee belt educates the consumers about the countries where the coffees are sourced from: Latin America, Africa and Asia / Pacific and how the flavor is determined by the regions from where coffee is sourced from providing unique experiences to the consumers. (Caspersz, 2022) In the year 2022, Starbucks- a Seattle based coffee chain was the most preferred by Canadians inspite of Tim Horton's having largest

number of stores. The other US based brands such as Folgers and McDonald's came as the next preferred coffee brands in Canada. Italian brand Lavazza is also seeing substantial growth in last five years from a $25-million brand to a $45-million one. Keurig Dr Pepper is another US based company that has seen 25% growth in flavored coffee category. These preferences for international brands have risen recently as Canadian consumers are now looking for sophisticated flavors, experimenting new tastes and coffee types and ethical sourcing.

For growth in sales and profit, domestic brands in Canada and international brands now focusing on Canada, need to understand the perceptions of immigrants and what attributes they look in for as a reference, while they purchase goods or services. This in-depth exploratory study will help brands available in Canada- international and local, to tap better into consumers in Canada by knowing the factors affecting brand perception of consumers in coffee category. Understanding brand perceptions of the target audience can help companies in critical areas such as new product development, developing product designs, creating brand personalities, advertising, pricing thereby creating a unique position in their minds while curating a highly desirable product especially made for them making brands perform better in the competition. The goal is here to create a long-term relationship with your target audience and being there for them rather than short term profit or revenue.

1.8. New trends in coffee industry in Canada: Hub of opportunity.

(Canada Coffee Market Synopsis, 2024) One of the disrupters in the coffee industry has been coffee subscription services. Since roasted coffee is preferred more than instant coffee, subscription-based coffee services have become a popular way to get fresh coffee in comfort of home for Canadians. Many small roasters in Canada are giving tough competition to local coffee shops by providing high quality premium coffee to subscribers. Ready-to-drink coffee, On- the-go packaged and home delivery coffee services are gaining momentum in specialty coffee. The coffee has been very integral part of Canadian dining and has popularized and promoted by the HoReCa segment (hotel, restaurants and caffe). Many of the players in HoReCa have their coffee estate, high quality coffee and special brewing techniques. Decaffeinated coffees are becoming a rave amongst coffee lovers. Vancouver, Canada based company- Swiss Water saw 41% year on year revenue growth due to increase in decaffeinated coffee drink in North America and Asia Pacific. (Honderich, 2023) Recently, Health Canada had issued that a mandatory warning label to be placed on all alcoholic beverages. The CCSA (Canadian Centre on Substance Use and Addiction) has issued drinking limit to 2 drinks in a week to reduce the chances of cancer to Canadians. This means in future, with strict measures

coffee has a high chance of increased consumption if alcohol consumption goes down, which will require extra research in this area.

2. Literature Review

(Özsomer, 2012) stated that global brands have higher appeal and attraction when it comes to global consumers. Local brands do better especially in food and beverages as a category. But the research paper also states that local brands can create their own brand perception and stand out in creating their own brand identity in competition against the global brands. They can signal originality, local culture, uniqueness, and pride in being a part of the country which can attract people who want to associate with brands and a particular country. Local brands also celebrate local culture, traditions, tastes, and preferences. It gives a unique taste to all the customers who want to have an immersive experience with the culture and heritage of the country which global brands may not be able to give to the customers.

(Steenkamp, Batra, & Alden, 2003) analyzed factors benefiting global brand due to the favorable perception of customers as far as perceived quality, prestige and benefits are concerned. People favor or choose to buy global brands as they perceive these brands to have higher quality, reputation and that they provide greater benefits to them. This perception and purchase decisions have led many companies to change their product portfolios and focus on creating global brands. At the same time, there many local communities such as in Zimbabwe and in Romania who are looking forward to buying more from local brands as they feel that local brands do a better job in creating valuable products that are more aligned with local culture and needs. Local brands have a deeper understanding of consumer segments and hence they can curate better products covering nuances of local tastes and preferences and this ability of theirs provides local brands to do better in competition.

(Shukla, Singh, & Banerjee, 2015) tried to study how consumers from the same or similar markets may act differently due to their changes in perception of not only brands but also how they think brands affect them and their personal life. The paper identifies three values that play a pivotal role in creating brand perceptions in luxury goods and thereby brand purchase decisions in the markets of China, India and Indonesia.

Symbolic value divided into two aspects: self-directed and other directed, talks about what brands symbolize to the customer. Self-directed value explores how brand helps consumers to feel good about themselves when they use the brand while the other-directed value, which is

highly observed in collectivists societies emphasizes how brands help consumers to place themselves better by standing out amongst their reference group members.

Experiential value is a brand experience which customers go through while they go through the consumer buying process. This value is particularly important for luxurious brands as it provides rich in store experience and an opportunity to feel good by dressing up and visiting stores in high end locations- an experience which Asians seem to thoroughly enjoy. Since Asia has been growing significantly important in world trade and is the fastest emerging economies, special attention to these markets and their consumer's brand perception can open many doors of opportunities to brands.

Functional value talk about the functionality of the brands which creates a strong image in the minds of consumers as far as quality is concerned which in turn can create better brand experiences for consumers, but it might also help them to elevate their status in the society as they are able to afford a high-quality product. This point is very important factor to purchase a brand for consumers especially from India.

(Schuiling & Kapferer, 2004) provides a significant importance to local brands. Many companies create global brands not only due to positive brand perceptions and associations consumers place on them but also it helps companies in reducing costs in significant manner whether it is packaging, marketing communication etc. The authors have given examples of markets such as Europe where local brands are more popular contrary to the popular belief that global brands are stronger in competition. Better response to local need, flexibility of pricing strategy, possibility of responding to local or international competition, possibility of balancing a portfolio of brand, possibility of responding to needs not covered by international brands, possibility of fast entry into new markets are certain benefits the authors have identified with having and growing a local brand.

(Nebenzahl, Jaffe, & Lampert, 1997) explores the connection between the role of home country – the country to which consumer belong and the origin country- country where the brand originated from. When discussing the country of origin, many brands today are not entirely manufactured in one location. The country in which manufacturing might take place which is different from origin country is known as made-in-country. All these countries along with a consumer's country or his or her nationality have an influence on the attitude a consumer may form for the brand. An attitude has three core elements: cognition associated with knowledge and belief, affect associated with feelings and conation associated with action.

In cognition process – a customer might form brand perception and/or attitude based on the image of the country projects where the products might belong to. Consumers also tend to pick and choose products based on the feelings or stereotypes they have with a country and that may stop them from buying products even when they might perceive the country of origin in a positive light and vice versa. Ultimately consumers when it is the time to act also consider the image a product helps them to create in front of their peer group or society and hence, they may or may not choose to buy the brand.

(Bourdin, Halkias, & Makri, 2021) studies the impact of a brand- whether it is local or global on the consumer's attitude towards thereby affecting the purchase intention in Austria and USA. The importance of the image of the COO (country of origin) can't be ignored. It was found in the research that when the image of COO is good, brands of such countries are received warmly. The paper has also stressed the importance of maintaining a consistent brand image for added advantage. How much a brand's COO affects the brand's perception is also based on the number of international brands and local brands that are available for consumption in the country. For e.g. Austrians were found not to have heavy influence of COO as they depend on the international brands for consumption whereas the US consumers were impacted the brand's COO. US consumers also had stereotypes towards brands and their COO. This paper also emphasized brand positioning strategies to be used according to the market.

(Balabanis & Diamantopoulos, 2011) highlights that consumers do not necessarily know even a well-known brand's COO which might negatively affect how a brand is perceived. Some marketers might also try to mask the information when a brand's COO tends not to have a very strong image. The paper has identified two types of miscalculation when it comes to identifying a brand's correct COO: adverse (a country with a weaker image is thought to be the COO of the brand) and favorable (a country with strong image is thought to be the COO of the brand). It was found that a brand image significantly improves when there is a favorable miscalculation while strong brands suffer in creating a positive brand image and may suffer in sales when their brand's COO is adversely miscalculated by the UK customers.

(Cordell, 1992) studies the importance of a brand's COO for US consumers and if it is important in certain product categories only. A country differences set analyzed what US consumers thought of product quality of watches and shoes if they were manufactured by countries- Industrial countries (ICs) or LDCs (Less developed countries). The US consumer's brand perception was higher if the product's COO was a IC.

The product differences set analyzed the consumer perception of a country's ability to produce high quality products. US consumers think that the products quality is a question of high risk if the product's COO is LDC. The paper also suggests that the consumers are more concerned about the product's COO when the brand is unfamiliar. To have control on how brand is perceived, a manufacturer may choose to manufacture extra components in LDCs and main manufacturing in ICs so that the IC's COO appears on the brand.

(Dimofte, Johansson , & Bagozzi, 2010) focused on the influence of global brands and their perceptions on different ethnic communities in the USA. The paper also studied how Caucasians, Hispanics and African American consumers react similarly to the global brands and how the influence of global brands is not noted very significantly in other American consumers. It is also shedding lights on the conflict faced by the immigrants of the USA due to the cultural clashed between their roots and the new culture of the country that they live in. in such cases global brands that help immigrants to self-express their aspirations better seem to be preferred by them. African Americans and Hispanics particularly believed that global brands are better in terms of quality, are higher in prices as compared to Caucasians.

(Passagem, Fernandes Crespo, & Almeida, The Impact of Country of Origin on Brand equity-An Analysis of The Wine Sector, 2020, pp. 63-81) This article talks about the association of brand equity and its dimensions such as brand awareness, brand loyalty, brand associations and perceived quality with a brand's country of origin. conducted a study on the wine industry and how consumers associate quality of wine with the country or origin. Many consumers associate brands with different terms, meanings, and attributes based on the country which brands belong to. Many consumers may develop stereotypes based on the brand's country of origin and perceive the quality of the brand based on the country's image. The country's image can in turn also lead to higher purchases of products, especially if the country has a very positive image. County of origin comes into greater effect when consumers are highly involved in purchases and undertake research and evaluate alternatives to find the best option. In such high involvement purchases such as wine, people have greater brand awareness and brand knowledge. They are also aware of the country of origin which leads to acceptance or rejection of the product. Customers from Portugal and Canada were studied for this research for the wine category. When it comes to Portuguese consumers COO affected all the brand equity dimensions while Canadian consumers thought differently about a brand's perceived quality and loyalty when it came to a brand's COO. The visibility of COO is high in both these countries due to the regulations. The Portuguese consumers did consider very heavily the

wine's COO in making purchase decision which was not the case with the Canadian consumers. It is also discussed that from Canada's perspective, that for a consumer to think highly of a brand belonging to certain countries in a positive way, the presence and availability of the wine brands must be high in the market as it was noted that Portuguese wines are not that big wine brands as compared to the wine brands from France and Italy.

(Sivanenthira, Sabina, & Ratnam, 2019) studied the impact of country of origin of a toothpaste's brand on Sri Lankan consumers from the area of Jaffna. A brand's COO may create certain stereotypes in the minds of consumers influencing the purchase decision. Even though, Clogard – local Sri Lankan brand was found to be the best-selling toothpaste, still there was a huge preference for the foreign brands. International brands, to market and sell themselves better should highlight the COO in the packaging of the toothpaste brands in such markets.

(Lohan , Ganguly , & Kumar, 2020) Attempted to study the affinity towards foreign brands by Indian consumers across five product categories: automobiles, home appliances, apparel, cosmetics and watches. In automobiles the product quality followed by the country of origin played an important role in purchase intention. In apparels as a category, Indians preferred products with quality and got influence by foreign sounding brands, where country of origin was the least investigated information. For home appliance the country of origin, country of manufacture followed by the perceived product quality was an important factor for making purchase decision. In cosmetics the perceived quality, the foreign sounding brand name and followed by country of origin were deciding factors for purchase decision but country of manufacturing wasn't important for consumers. For watches the country of origin, country of manufacture and foreign sounding brand name were important for Indian consumers when making brand choice.

(Topik, 2009) Coffee is considered as a social drug, connecting nature and humans, different societies in different events for e.g. US war. Coffee also has become one of the most valued commodities in the world and there is colonial history linked to slavery to the world's most beloved stimulant. Coffee is also seen as medicinal providing energy, curbing hunger pangs and solving digestive issues. It is also one of the main sources of caffeine. Coffee is also seen to be an important product socially and culturally in religious rituals, political discussions, office breaks, get together and individual events. Today tea drinking nation such as Japan have become a big coffee drinking community. The technique of roasting, grinding and brewing coffee beans was devised in town of Mocha in Yemen. Coffee houses became a venue for

discussion in Middle East. Coffee has also witnessed a strong resistance by the rulers and monarchs in Europe as an attempt to stop the coffee import to balance the trade expenses but failed. Today in the age of carbonated drinks, coffee has become a drink of youth.

(Quiñones-Ruiz, Penker, Vogl, & Samper-Gartner, 2015) A qualitative, case study-based research was conducted to identify the benefits GI (geographical indications) can bring for coffee producers. GIs discuss the specific product, quality or standard that comes from its place of origin. Coffee and Columbia are synonymous, and Café de Colombia PGI is a registered association of 5,00,000 coffee producers in Columbia. They hold common property rights for their Columbian coffee which has been accepted by the EU legislation in 2005 and 2007 respectively. Since the GI registration of Columbian coffee by Café de Colombia PGI, it has provided the coffee producers an opportunity to protect, differentiate and commercialize the Columbian coffee in international markets by sharing the benefits and the costs. Other activities such as monitoring the quality, prices, conflict resolution, right to use GI and trust and awareness building is taken by the group. For developing countries should be proactive in implementing IPR such as GI plays a pivotal role in bringing revenue and accessing international markets. GIs are also considered better that trademarks as they can be bought by wealthy corporations nor can be delocalized, providing flexibility to the developing countries to create their own rules in using GI label, quality standards and social boundaries. If marketed properly, consumers may be willing to pay premium prices for high quality Columbian coffee which is yet to be studied in detail.

(PELSMACKER , DRIESEN, & RAY, 2005) The quantitative and qualitative study was conducted on Belgium consumers selected from Ghent University and surrounding, focusing their purchase preference and intention for fair- trade coffee. It was found that consumers first preference were the attributes of the coffee, fair trade label and flavour came second. To under the consumer behavior better, 4 cluster groups were created and studied. The first group showed a high preference for fair trade coffee hence named fair trade lovers, second cluster showed their liking equally for coffee attributes and fair trade hence were name fair trade lovers, third cluster were named flavor lovers due to preference for flavor of coffee than fairtrade and fourth group were named brand lovers as they were more loyal to brands that they buy. 35% from all the respondents were ready to pay premium prices for fair trade coffee. People between the ages of 31-44 dominantly showed their preference for fair trade coffee making them the target group for FT coffee brands. The study showed that there is a large potential for FT coffee if it is balanced with taste and flavour, and if the awareness and

marketing is done effectively. Consumers didn't show too much eagerness to pay premium prices but, it was suggested that the price can be lowered by subsidising tax rates for environmentally friendly companies.

(Grigg, 2002) The research dives into studying the consumption patterns of tea and coffee. Coffee 100% are produced by developing countries, in tropical climate but 71% of developed countries consume it. Tea even though is also produced by developing countries, three quarters of the tea produced is consumed by these countries themselves. Above economic factors, cultural factors seem to have made more influence in the consumption of tea and coffee. Certain religious restrictions such as restriction on alcoholic beverages, have led to increased consumption and preferences for coffee. Tea being cheaper and having property to quench thirst, it is seen as a beverage in hot, dry regions. Zen Buddhists from China popularized tea consumption as a wakening stimulant during long meditation which then spread to Korea and Japan.

Colonising countries like Britian, brought their tea drinking culture to the colonies and with industrialisation there was a requirement of higher calories hence the culture of consumption of tea with milk and sugar which provided 40 calories became a cultural habit. Immigrants from tea drinking countries have also played a role in the spread of tea consumption and British settlers in Canada, South Africa, Australia and New Zealand spread tea consumption in these countries. In 18^{th} century, coffee houses played an important role in reviving coffee culture in Middle East and in Western Europe. There has been a tremendous change in location of tea and coffee production and consumption over a period affecting the consumption patterns of these two beloved beverages.

(Skog, 2006) Studies the factors and events that led to shift in culture of alcohol consumption to coffee consumption in Norway. Prohibition of alcohol, lesser preferences for alcoholic beverages in social settings and high caffeine content in coffee that worked as a stimulant were certain reasons that changed the cultural setting of alcohol consumption in Norway. Apart from medicinal properties that were present in distilled alcohol, coffee provided the same benefits hence became more preferred beverages along with wine and beer. Symbolically coffee also became culturally a product for conversations hence were served in parties, ceremonies and were served to visitors. The paper concludes on note that consumer behaviour and their product consumption changes in Norway were due to political factors, product availability, cultural changes and easy close availability of substitute products.

(Rule, Dring, & Thornton, 2021) This qualitative study was conducted in Vancouver, British Columbia in Canada on Chinese and European descendants which represented sample of Asian Canadian and White Canadians to study how communities interact with food environments and culture. The research concluded on the note that many participants noted that their food consumption pattern had new changes due to exposure to new food varieties being available in their environment, growth in new diversified ethnic communities and interactions with them in communities and exposure to new foods while dining in restaurants or when socialising with friends or neighbours from different backgrounds. Three food practices were identified which influences the change in food culture and consumption. They are: 1. *Public food practices*- dietary changes due to participating in different cuisines on a public platform like restaurants. 2. *Everyday food practices*- Habitual food culture influenced by home country and culture incorporated into daily life. 3. *Festive food practices*- the food practices people go back to during festivals and associated celebrations. It also talks about new festivals being celebrated as these festivals and food rituals were commonly celebrated in Canada.

The main factor considered in dietary changes were the ross cultural relationships of the participants. Getting exposed to new food types, tastes and flavours due to the recommendations given by the peer groups along with trying to cook new recipes that were not familiar was also noted. The concept of food adventuring is also discussed which is a trend of trying out new recipes and food. All these exchanges have resulted in better education of ethnic food, health and sustainability.

(Kaynak, 1982) Since most of the country-of-origin studies revolve around USA and Europe, the author decided to focus on Canadian population from Nova Scotia and their attitudes towards brands with foreign origin. When selecting sample, most of the research till this research was done on university students but for this paper the residents of Nova Scotia were taken as sample. 60 % of Canadians in this research showed a preference for Canadian based brands due to their ethnocentrism, as a support to their country's economy and patriotism. But Canadians were not willing to compromise on their standard of living hence they didn't mind buying goods of foreign origin if they were superior in quality and worth the price. It was also noted that Canadians preferred American foods over Canadian foods and due to proximity to US, they were familiar and influenced easily by American advertisements. Canadians just like American and European consumers had shown biasness to product manufactured in less developed countries but the situation of LDCs and their perception has vastly changed since the paper was written.

(Liefeld) Attempted to study the awareness of country-of-origin of American and Canadian consumers while they were checking out at the cash register in retail stores. It was found in study that only 18 customers out of 1,248 studies had inquired about COO or knew the COO of the brands they purchased. Customers showed more interest in the attributes of the product followed by price of the product but not necessarily the COO and neither they showed any interest in knowing the COO.

(Ahmed, , D'astous, & Lemire, 1998) Attempted to study US and Canadian consumer's brand perception of products designed and assembled in Mexico which was a part of country-of-origin study. The country of Mexico was specifically chosen as it was a member country in NAFTA, and after the liberalisation of Mexican economy, a lot of manufacturing has been done by Mexico for American and Canadian companies. Apart from Mexico, for the study of country of design and country of assembly other twelve counties were chosen- France, Japan, Russia, US, Brazil, Belgium, Canada, Morocco, Germany, India, Italy and South Korea. For this study 3 product category was used: automobiles, VCR and shoes. The study found that for Americans, DCs ranked higher in country of design hence they rated products positively that were designed in Germany and Japan and preferred products assembled in LDCs more positively. Canadians showed more preference to products from France and Italy, but they were more inclined towards products manufactured and assembled in Mexico than Americans. Both Americans and Canadians also rated favourable for their own home country's brands as well. But Mexico still had a battle to fight as the overall study suggested that Mexico had tough competition from other COO, and it had relatively poor image more in US than in Canada.

3. Problem Definition:

There has been much research done around country-of-origin effect- whether it is country of manufacturing, country of assembly or country of origin of a brand and its effect on brand perception of international brands on local consumers. After researching and reviewing many research papers so far, I have come across studies done on country-of-origin effect on products from different industries such as automobiles, smart phones, watches, shoes and food such as juice, pizza etc. Some of the markets that were studied for understanding consumer's brand perception to foreign goods were USA, Philippines, Albania, India, Indonesia, Sri Lanka, Singapore, Britian etc. For country-of-origin studies, brands from USA, Japan, European countries were mostly chosen.

Canada was the 6th largest coffee importer in the world ($1.8 billion) and exported $727 millions worth of coffee. Coffee is one of the most popular and consumed beverages around the world. There isn't much research done on Canadian consumer's brand perception for foreign coffee brands or how Canadian coffee brands are perceived in foreign and domestic markets. Since country from where a coffee is sourced from dominates the taste and flavor, there are few studies which tries to understand whether Canadian consumers seek information such as this, to make a purchase decision. Sustainable and ethical sourcing is a much-discussed topic today in agriculture and as per my research journey so far, I have not come across not many research studies done if this is a factor that influences brand perception and purchase decision of a Canadian consumer.

Further Canada is aiming to increase their population by 5,00,000 by 2025, which means that Canadian market will be witnessing new changes in terms of new brand availability, brand penetration and new competition. Since, Canada is going through tremendous change in terms of population growth, it will usher in new cultural changes in immigrants and Canadian population. These changes will require companies to focus on new product design, product adaptations and marketing strategies. Hence, there needs to be an in-depth study on current cultural changes and its impact and paradigm shift on immigrant's consumption patterns as well as rest of Canadian population. Further due to now new brands being present or they are on their way, country of origin's influence in brand perception and preference in coffee industry be investigated which has been missing. Also, more research is needed if there are any other new factors foreign or domestic coffee brands need to investigate to market their products better in Canada.

4. Research Questions:

1. How is culture /lifestyle of Canada affecting the immigrant's beverage consumption? (converting specially from tea to coffee).
2. What factors make coffee as one of most preferred beverages in Canada?
3. How much is a coffee brand's country-of-origin important to Canadians when they buy coffee?
4. How do Canadians and new immigrants perceive Canadian coffee brands and their products?
5. How do Canadians and new immigrants perceive foreign coffee brands and their products?

6. Do Canadians look for labels such as Fairtrade, organic coffee, shade grown etc. while purchasing coffee? Would they pay premium prices for such coffee?
7. Are Canadians conscious of how their coffee brand choices and consumption affect environment and people involved in trade?
8. What do a country like India should do (which also is a prominent coffee exporter in world) and factors it should be aware of to market Indian coffee and coffee brands in Canada successfully?
9. What are future trends in the coffee industry in Canada? What paradigm shifts are likely to happen in consumer behavior when it comes to coffee consumption?

5. Need and Significance of study:

There has been a significant increase in the flow of immigrant population to Canada in recent years and this number is only expected to swell in coming years and India emerged as the country providing influx of immigrant to Canada. With the growing numbers of different ethnic communities, they have managed to grab attention of Canadian coffee companies. Coffee brands operating in Canada – foreign and domestic are trying to find new way to penetrate market by understanding the new changes in consumer behavior and current market trends.

This study will help to gain insight into how an in-depth study on the population or demography of a country as it changes can open doors for many business opportunities and growth. By understanding how and why Canadians perceive things in a particular manner, can help companies to devise better product development, product adaptation, marketing and sales strategies. This study will also be helpful to understand the Canadian coffee market better, Canadian consumer behavior that can be used by country like India which is a leading coffee exporter to gain knowledge and market it's coffee efficiently in Canada.

6. Research Objectives

- To identify the impact of culture on product purchase decisions of consumers who live in different countries than their home country.
- To determine factors that influences brand perception of consumers- immigrants who live in Canada and Canadian citizens - (Toronto and GTA areas) when it comes to Canadian brands and brands available in Canada (which might not be available in their home country).
- To understand how the country image- Canada's image affects the brand perception of Canadian brands on different ethnic communities.

- To explore the brand awareness of new immigrants as far as Canadian brands or brands available in Canada is concerned and determine their purchase decision process.
- To identify strategies that Canadian brands and foreign brands that market their products in Canada can apply to create a positive brand perception and image amongst the growing immigrant population to grow their market share.
- To identify product development and adaptation strategies that Canadian brands and brands that market their products in Canada for penetrating, catering, and tapping the new audience.
- To identify the consumer buying behavior of immigrants in Canada how Canadian brands can create efficient touch points to create positive product or service experience for them.

7. Hypothesis

Hypothesis 1

H0: The culture of home country- Canada is not influencing the food and beverages consumption pattern in immigrants.

H1: The culture of home country- Canada is influencing the food and beverages consumption pattern in immigrants.

Hypothesis 2

H0: A coffee brand's country-of-origin is not important to Canadians when they buy coffee.

H1: A coffee brand's country-of-origin is important to Canadians when they buy coffee.

Hypothesis 3

H0: Canadians do not look for labels such as Fairtrade, organic coffee, shade grown etc. while purchasing coffee.

H1: Canadians look for labels such as Fairtrade, organic coffee, shade grown etc. while purchasing coffee.

Hypothesis 4

H0: Canadians and new immigrants don't perceive that Canadian coffee brands better than the foreign brands.

H1: Canadians and new immigrants perceive Canadian coffee brands better than the foreign brands.

Hypothesis 5

H0: Canadians perceive Indian origin brands not very positively and aren't eager to try Indian brands.

H1: Canadians perceive Indian origin brands positively and are eager to try Indian brands.

8. Research Methodology

For the research, quantitative and exploratory method will be used as the aim is to understand the Canadian consumer behavior and the coffee consumption patterns along with potential opportunities for foreign and domestic coffee brands in Canada as a market.

For collecting data, surveys will be conducted using a structured questionnaire mostly created and sent to the sample using google forms via email. In some cases, online video tools such as WhatsApp, MS Teams or Zoom also may be used to conduct and collect information face to face.

Target sample audience from whom data would be collected would be any new immigrant who might have come to Canada in last 8 years as international student, on work permit, as permanent resident or as dependent. Immigrants who have taken Canadian citizenship recently or have been citizen for quite some time will also be taken into consideration for research.

9. Visible Research Outcomes

Canada is one of the biggest markets for coffee and Canadian are known for their coffee consumption. The research once completed will give insights into the future trends in the coffee industry. How the home country's food culture impacts an immigrant's food habits, what factors are important and taken into consideration when a consumer in Canada buys a coffee. It will also answer very important questions such as how a country's image impacts how brands are perceived and how much sales it creates when it enters in foreign markets, what marketing strategies can a company use to benefit from the home country's image for creating sales.

Especially when it comes to agricultural products like coffee, whether consumers are aware about how their coffee consumption affects the environment is something this research will let us know. It will also guide companies how much effort they have put effort into educating consumers about labels such as Fairtrade, ethically sourced and organic coffee. Finally, this

research also can guide country like India who is already a well-known player in coffee exports and what it can do to market its coffee efficiently in Canada and especially to already widely present Indian population in Canada.

10. Scope and Limitation of the study

10.1 Scope of the study

This research at present has a huge scope of research opportunities. Many brands in Canada are at present working on strategies on how to cater and penetrate in different growing ethnic groups like African, Chinese, Caribbean, and Indians etc. since there is a lot of influx of different cultures in Canada right now there is a huge scope of background research based on culture and its impact on community's attitude, new culture adaptation, product purchases, personalities, and perception.

This study can also help Canadian brands to understand consumer behavior of immigrants from different demographical point of view as people from different backgrounds come from different countries to Canada. This study can help to understand brand perception and purchase decision of immigrants based on age, income, qualification, career, immigration status, years of residency, religion, states, caste etc. This research also can help a company with specific target audiences in mind to cater better to target audiences from population in Canada.

This study may also give an opportunity for Indian brands who want to export or market their products in Canada as Canada is a good choice for Indian brands due to increasing population and many Indians still are nostalgic and miss their home products in Canada. Indian brands are not only popular, but they are quite commonly used and are well known in communities who have some similarity with Indian cultures such as Sri Lanka, Indonesia, Afghanistan, Pakistan, and Bangladesh. This similarity can be the result of historical events, spreading and infusion of the culture, peer group influence or popularity or discussions on social media.

10.2 Limitations to the study

- The sample studied would be mostly from Toronto or Greater Toronto Area so it may not entirely cover the immigrant population spread across different provinces in Canada.
- There are many factors that may take time and extra research to give core idea of behavior of all audiences and its impact of brand perception and purchase decisions such as: subcultural factors etc.

- The immigrant population and their living situation has changed drastically changed in the last 5 years due to covid pandemic and multiple macro factors that have significantly changed in Canada. This has caused immigrants to have different experiences in Canada as compared immigrants who came before them.

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Signature of Student

Signature of Supervisor and Co- supervisor(s)